

Message Text

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ACTION EB-07

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TAGS: ENRG, CA

SUBJ: GAS PIPELINE DEVELOPMENTS

1. IN SERIES OF PRESS RELEASES AND PUBLIC STATEMENTS
PRINCIPAL CANADIAN SPONSOR OF ALCAN PROJECT, FOOTHILLS
PIPE LINES PRESIDENT ROBERT BLAIR HAS "REVEALED" OVER LAST
TEN DAYS RESULTS OF COMPREHENSIVE GAS SUPPLY STUDY WHICH
INDICATES THAT 20 TRILLION CUBIC FEET OF NATURAL GAS ARE
PRESENTLY LYING IDLE IN ALBERTA. STUDY, WHICH WAS
PREPARED FOR ALBERTA GAS TRUNK LINE LTD. (AGTL), COMPANY
WHICH HOLDS 70 PERCENT SHARE OF FOOTHILLS PIPE LINE LTD.,
ASSERTS THAT 15 TRILLION CUBIC FEET OF PRESENTLY
UNCONNECTED ALBERTA NATURAL GAS CAN BE LINKED TO EXISTING
CANADIAN GAS TRANSMISSION SYSTEMS BY 1980 AND THAT
REMAINDER CAN BE SYSTEMATICALLY PUT ON STREAM BY 1985.
BLAIR IS CLAIMING THAT AGTL REPORT "GIVES TOTAL ENCOURAGE-
MENT THAT A GAS SUPPLY CRISIS DOES NOT EXIST IN CANADA AND
GIVES THE CANADIAN GOVERNMENT TIME TO WEIGH ALL ISSUES
BEFORE APPROVING ANY (MACKENZIE) DELTA PIPELINE CONSTRU-
CTION". BLAIR'S COMMENTS WERE BROADCAST BY CBC AND WERE
FEATURED PROMINENTLY IN LOCAL PRESS. THE ALBERTAN, FOR
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EXAMPLE, AFTER REVIEWING FOOTHILLS PRESS RELEASE,
EDITORIALIZED THAT "IF IT (THE REPORT) CAN BE SUBSTIAN-
TIATED, THERE PROBABLY SHOULD BE SOME SOBER SECOND THOUGHTS
ABOUT THE NEED FOR A CANADA/UNITED STATES MACKENZIE VALLEY
GAS PIPELINE". AGTL GAS STUDY HAS REPORTEDLY BEEN FILED
WITH NEB AND DIAND.

2. IN SEPARATE PIPELINE RELATED DEVELOPMENT, SOLIDARITY OF NATIVE PEOPLE'S ORGANIZATIONS OPPOSING OR RECOMMENDING DELAY OF DELTA PIPELINE WAS ONCE AGAIN SHAKEN WHEN WESTERN ARCTIC ESKIMO GROUP, COPE (COMMITTEE FOR ORIGINAL PEOPLE'S ENTITLEMENT), DECIDED TO PURSUE ITS OWN REGIONAL LAND CLAIMS EFFORT. ACCORDING TO WELL PLACED NWT OFFICIAL, COPE SPLIT WITH INUIT TAPIRISAT OF CANADA (ITC), THE NATIONAL ESKIMO ORGANIZATION, WAS PROMPTED BY FEAR THAT FURTHER DELAYS IN CLAIMS SETTLEMENTS MIGHT SCUTTLE DELTA PIPELINE AND RESENTMENT OVER FACT THAT COPE OFFICIALS WERE BEING GIVEN SHORT SHRIFT BY FEDERAL GOVERNMENT. SUCCESSFUL EFFORT BY DOME PETROLEUM CO. IN ESTABLISHING COMMITTEE OF NATIVE PEOPLE TO SUPPORT BEAUFORT SEA DRILLING EFFORT WAS ALSO A CONTRIBUTING FACTOR AS COPE FOUND IT WAS LOSING SUPPORT OF INUIT FAVORING A FASTER PACE OF NORTHERN ECONOMIC DEVELOPMENT.

3. COMMENT: INDUSTRY SOURCES HERE DESCRIBE AGTL REPORT ON ALBERTA'S GAS SUPPLY AS AN EFFORT TO DELAY A CANADIAN GOVERNMENT DECISION ON ARCTIC GAS PIPELINE. RESPECTED ERCB SOURCE TOLD REPORTING OFFICER THAT 20 TRILLION CUBIC FEET GAS FIGURE CITED BY BLAIR WAS EXTREMELY OPTIMISTIC, AS IT INVOLVED LARGE NUMBER OF SMALL GAS FIELDS, THE PRODUCTIVE CAPACITY OF WHICH WAS OPEN TO QUESTION, AND AREAS WHERE THERE PRESENTLY NO VALID PRODUCIBILITY ASSESSMENTS. EXISTENCE, HOWEVER, OF SHORT-TERM ALBERTA GAS SURPLUS, WHICH ESTIMATED BY INDUSTRY OBSERVERS AT BETWEEN 300 TO 500 MILLION CUBIC FEET A DAY, AND SHARP CUTBACK IN GAS CONTRACTING HAS GIVEN CERTAIN CREDIBILITY TO BLAIR'S
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COMMENTS AND RAISED DOUBTS IN MIND OF SOME ALBERTANS ABOUT THE URGENCY OF DECIDING ON A DELIVERY SYSTEM FOR DELTA GAS. AS SEEN FROM THIS PERSPECTIVE, COPE DECISION TO SEEK SEPARATE CLAIM SETTLEMENT FOR WESTERN ARCTIC INUIT AND METIS SPLIT FROM NWT INDIAN BROTHERHOOD, DEMONSTRATES A GROWING DESIRE OF MANY NWT NATIVE PEOPLE FOR GREATER ECONOMIC OPPORTUNITY, I.E., A RAPID AND FAVORABLE DECISION ON A MACKENZIE DELTA PIPELINE.
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